

STATE OF TEXAS §  
COUNTIES OF ARANSAS §  
SAN PATRICIO AND NUECES §  
CITY OF ARANSAS PASS §

On this the 8<sup>th</sup> day of August, 2006 the Aransas Pass Municipal Development District convened in a Regular Meeting being open to the Public at the regular meeting place thereof in the City Hall and notice of said meeting giving the time, place, date and subject hereof having been posted and prescribed by Chapter 551 of the Texas Government Code with the following attendance to wit constituting a quorum.

ARANSAS PASS MUNICIPAL DEVELOPMENT DISTRICT

PRESENT:	DON MCTEE	President
	HOPE COMINGORE	Vice President
	SHERRI TRINGALI	Secretary
	RANDY BOATMAN	Director
	RANDALL FREEZE	Director
	HARLAN ROBERTS	Director
	ED LAPOINTE	Director
	RAYMOND STONE	Director
	HAROLD HEES	Director
ABSENT:	JESSE GALVAN	Director
	MARILYN RIMER	Director
STAFF PRESENT:	DEBRA KELLER	Executive Director/Treasurer
CITY STAFF PRESENT:	DARREN GURLEY	Public Works Superintendent
OTHERS PRESENT:	MARTHA GONZALEZ	Recording Secretary

**ITEM 1.**

**CALL MEETING TO ORDER**

President McTee called the Meeting to order at 6:40 P.M. on August 8, 2006. President McTee stated there was a quorum present.

**ITEM 2.**

**APPROVAL OF MINUTES OF MEETING OF JULY 11, 2006**

Director Roberts moved to approve the minutes of the meeting of July 11, 2006 with a modification on Item 3 concerning the rent for property purchased by the District for the Civic Center. Vice President Comingore seconded the motion. Motion carried.

**ITEM 3.**

**CONSIDER AND ACT ON APPOINTMENT OF OFFICERS**

Executive Director stated that she inserted the minutes of the March 21, 2006 meeting in their packet. At the March meeting, the Board recommended the officers be appointed in August once the new members were appointed by the City Council. Vice President Comingore moved to reappoint Don McTee as President, Hope A. Comingore as Vice President, Sherri Tringali as Secretary and Debra Keller as Treasurer. Director Roberts seconded the motion. Motion carried.

**ITEM 4.**

**CONSIDER AND ACT ON AUTHORIZED REPRESENTATIVES FOR BANK ACCOUNT ESTABLISHED AT FIRST PROSPERITY BANK, ARANSAS PASS, TEXAS**

Executive Director corrected the name bank to Prosperity Bank, not First Prosperity Bank. Executive Director explained that in order to open the District's account at Prosperity Bank, the bank needs the District's tax ID or a resolution stating the Board approved the signatures for the bank account. Since the City and the District cannot find a tax ID number filed with the State, the Board will need to designate the officers to sign on the

bank account. On the bank resolution in the packet, it states the designated signors are Don McTee, Sherri Tringali and Debra Keller. Two of the three have to sign for any withdraw from the bank. These will be the three signatures that are being approved for the depository contract. Director Roberts moved to authorize Don McTee, Sherri Tringali and Debra Keller to sign on the bank account at Prosperity Bank. Director Hees seconded the motion. Motion carried.

**ITEM 5.**

**CONSIDER AND ACT ON AGREEMENT FOR ARCHITECTURAL SERVICES BY WKMC ARCHITECTS, INC.**

Executive Director stated this was the proposal that was discussed at the last meeting regarding the architect services for the City Hall and the Civic Center. It has been signed by the City Manager and the architect. Part I of the proposal is a stated formal agreement and part II is a designing contract and administration. This is a standard architect form at a fee of 8%. Director LaPointe asked if we going for a simple fee on this. Director Hees asked if this service was bid out. Executive Director explained that architect services are not bid out but rather proposals are received for this type of service. Executive Director stated the City went out for proposals and received three proposals. The Board reviewed those proposals and recommended this architectural firm. The City has already paid several invoices to the architect for their services. Director Stone questioned the 8% rate. Executive Director stated the Board should have looked at the contract before it was signed by the City Manager. Mr. Darren Gurley stated this contract went to the City Council for approval. Executive Director stated the City Manager stated at the last meeting the contract did not go to the City Council and stated no invoices were paid by the City. To date, so far there have been five invoices that the City has paid. Our portion has been broken out to be \$15,944.00. A copy showing the invoices was given to each member and it shows where the City broke it down to what they thought was their portion and the MDD portion. Basically, it shows what services have been rendered so far. It shows the contract amount of being \$204,000.00 total which is 8% rate. Executive Director stated what they are billing so far is their work they have been doing on the project based on the 8% rate. Director Roberts questioned what was being included. Executive Director Keller advised that it includes the design development, construction documents, administration, contract administration, landscape, and construction consultants. Executive Director Keller informed that the City Manager and the architect negotiated the 8% rate. Director Stone questioned what is the 2% for? Executive Director Keller advised him that would be a question for the City Manager to answer. Vice President Comingore commented that the District has no recourse due to the City signing the contract. Executive Director advised that the District has the ability to say whether or not we use our funds to continue to pay. Obviously we have had services rendered to us which we do need to pay, in her opinion. At this point, we can go back and recommend they renegotiate this, and say we want them to come back with a flat rate fee. That would be up to the board telling them what I recommended. Executive Director Keller stated when they last met in May, they had a window hoping that they would begin the project as other projects are coming up with building schools. Director Roberts asked who was working with the architect? Executive Director told him the District is. The architect is waiting for final changes. Once that is done, the Board will take it to City Council to have them approve it, then move forward in starting to build. Executive Director commented that "we should have looked at a contract". Again, we are recommending for findings in the project. The city wants our involvement and the Mayor wanted us to basically approve all of the contracts and

that's where we are now, trying to approve something that shouldn't have been approved by the City Manager until the board had an opportunity to look at it. Director Roberts asked "if there are any other disputes with the appraisers or architects?" Executive Director advised him no. Director LaPointe commented what if we do not use the architect hired. Executive Director advised that the board recommended this architect so we are committed to the firm. We did not recommend any kind of rate compensation. Director Stone and Director Roberts stated their objection with the 8% rate on this project. Executive Director advised the board that she e-mailed the City Manager and asked if City Hall is going to be constructed along with this project? That is going to make a difference with what our cost is. There are some cost savings there, not having it all done at one time. The City Manager's response was we have been waiting on final plans for the Civic Center, we will need to know, before we can move forward how much City expense will be needed to cover any civic center expenses. Executive Director explained she feels the City Manager is saying he needs to know how much operational cost of the civic center is needed to be paid by the City. At the beginning, we agreed as a board that we are going to pay for the construction costs of the civic center and we would pay for the first year of operations of the civic center in order to give it time to start generating its own revenue. There's also hotel/motel tax funds that can be used to offset the cost between that and the revenue income the City receives to offset the expenses not saying that they are going to break even but should be a huge offset as to what its going to take to run the civic center. We suggested strongly that they get a manager to go out and promote the civic center to communities including getting in trade shows, craft shows, boat shows, etc. Executive Director commented that she needs to talk to the City Manager regarding his concerns about the operational cost of the Civic Center and the decision of building the City Hall. Discussion was held on operational cost of civic center. Director Roberts said the way we are approaching this is not proper and we should consult with people that know the numbers that dictate the building because we are shooting in the dark projecting the cost of the building. President McTee explained how the Board came to the size of the facility proposed. Director Roberts suggested that Executive Director Keller request an income financial history sheet for the last two to three years from Lake Jackson Civic Center to see what kind of potential income will be coming in. Executive Director stated she did not see the operations as a responsibility of the district but more of the City's responsibility and something the City Manager would have to buy in to as to how it would be funded. Director Roberts recommends City Manager needs to decide with City Hall is going to be built if not so we can go forward building the Civic Center. Executive Director states if the City decides not to build City Hall they would probably want to leave the area vacant until they are ready to build. Director Roberts stated the architect's contract amount is \$23,563.00 and has been paid \$21,805.00. Discussion was held about the increase in cost and size of the civic center. Executive Director advised that the fee is \$380,000.00 since the size was increased. Executive Director stated that the final cost will be based on a final square footage and if the Board wants to go to them with a request for a flat rate fee, with our history of request for changes, it will probably be a higher cost than you would expect. Director LaPointe advised we need a final set of plans. Director Roberts recommends to talk to architect about negotiations. Director Stone remarks that we can always negotiate with the architect. Director Freeze commented that the District should have gotten all of the information from the beginning and then submit it to the City Council. Executive Director stated that the District has an agreement with the City outlining the role of the District in

the Civic Center project which is only as a funding mechanism and the City is responsible for all other functions such as procuring land, construction, maintenance, and operations. The Executive Director stated that she suggested the agreement be revised so that we could have an agreement that stated the District's role as a recommending board on the project at a workshop with the City Council last year but the City Council felt it was not necessary. President McTee stated he is uncomfortable with the agreement as it stands. The Executive Director stated we should ask City Council to revise it when we take the plans to the City Council. Discussion was held on flat rate versus percentage rates for the fees. Director Freeze motioned to pay Invoices 1 through 5 and Invoice 6 when breakdown is shown and we'll finalize plans and negotiations with architect. Director LaPointe seconded the motion. Motion carried.

**ITEM 6.**

**PRESENTATION ON VISITS TO BAY CITY CIVIC CENTER AND LAKE JACKSON CIVIC CENTER**

Executive Director Keller presented a power-point presentation on the Bay City Civic Center, Port Lavaca Civic Center and Lake Jackson Civic Center showing and talking about the different aspects of each center.

**ITEM 7.**

**CONSIDER AND ACT ON FINALIZING FLOOR PLAN FOR CIVIC CENTER**

President McTee presented a sketch to all members that Director Roberts drafted for discussion. President McTee proposed a special meeting to discuss only the floor plan. Director Roberts motioned that a special meeting/workshop be held for discussion only on the floor plan on August 14, 2006 at 6 p.m. Director Freeze seconded the motion. Motion carried.

**ITEM 8.**

**CONSIDER AND ACT ON EXCUSED ABSENCES**

Executive Director informed that Harold Hees was absent at last month's meeting. Director Tringali motioned to excuse Director Hees. Director LaPointe seconded the motion. Motion carried.

**ITEM 9.**

**DIRECTOR'S REPORT**

Executive Director informed the members that there's a new state law regarding an Open Records Training. It is mandatory and will be discussed on the next meeting in September, 2006.

**ITEM 10.**

**CITIZEN'S COMMENTS**

NONE

**ITEM 11.**

**GENERAL DISCUSSION**

NONE

**ITEM 12.**

**ADJOURNMENT OF MEETING**

The meeting was adjourned at 9:05 p.m.

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Don McTee, President

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Debra Keller, Executive Director

ATTEST:

Sherri Tringali, Secretary